

SECOND REGULAR SESSION

SENATE BILL NO. 843

93RD GENERAL ASSEMBLY

INTRODUCED BY SENATORS GRAHAM, GREEN, CALLAHAN, BRAY,
KENNEDY, DOUGHERTY, WHEELER AND DAYS.

Read 1st time January 11, 2006, and ordered printed.

TERRY L. SPIELER, Secretary.

4245S.01I

AN ACT

To amend chapter 393, RSMo, by adding thereto five new sections relating to renewable energy.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 393, RSMo, is amended by adding thereto five new sections, to be known as sections 393.320, 393.323, 393.326, 393.329, and 393.332, to read as follows:

393.320. As used in sections 393.320 to 393.332, the following terms mean:

(1) "Commission", the public service commission;

(2) "Department", the department of natural resources;

(3) "Renewable energy resources", energy from wind, solar thermal sources, photovoltaic cells and panels, dedicated crops grown for energy production, plant-based residues, fuel cells using hydrogen produced by a renewable energy source, and other alternative sources of energy as defined by rule by the department; and

(4) "Renewable energy credit", a certificate of proof that one kilowatt-hour of electricity has been generated from renewable energy sources.

393.323. 1. The department shall, in consultation with the commission, prescribe by rule a portfolio requirement for all retail suppliers of electrical energy, including municipal and cooperative utilities, to generate or purchase electricity generated from renewable energy resources. Such portfolio requirement shall provide that electricity from renewable energy sources shall constitute:

(1) No less than one percent of retail sales for each supplier of

8 electrical energy after December 31, 2008;

9 (2) No less than three percent of retail sales for each supplier of
10 electrical energy after December 31, 2012;

11 (3) No less than six percent of retail sales for each supplier of
12 electrical energy after December 31, 2016; and

13 (4) No less than ten percent of retail sales for each supplier of
14 electrical energy in each year after December 31, 2020.

15 Such portfolio requirement shall apply to all suppliers of electrical
16 energy to consumers in this state and to all power sold to Missouri
17 consumers whether such power is self-generated or purchased from
18 another source in or outside of this state.

19 2. Each supplier of electricity shall provide documentation to the
20 department and commission demonstrating the acquisition of
21 renewable energy credits by self-generation, purchase, or trade
22 sufficient to fulfill the provisions of subsection 1 of this section.

23 3. The department, in consultation with the commission and
24 within one year of the effective date of sections 393.320 to 393.332, shall
25 establish by rule a program for trading renewable energy credits. Any
26 electric supplier that provides renewable energy to its retail customers
27 or members in excess of the percentages specified in subsection 1 of
28 this section may sell or otherwise transfer to any other electric
29 supplier excess renewable energy credits at any negotiated price. Such
30 rules shall specify:

31 (1) Requirements for tracking, recording, and verifying the
32 trading of renewable energy credits;

33 (2) Requirements for general compliance with a credit trading
34 program;

35 (3) Requirements for certification of renewable energy credits
36 under subsection 4 of this section;

37 (4) Requirements for participation in any regional system that
38 relates to trading renewable energy credits;

39 (5) Provisions for flexibility in the event that an electric supplier
40 is, by reason of necessity, unable to meet the requirements of
41 subsection 1 of this section; and

42 (6) Provisions for the recovery of costs through customer billing
43 if necessary, with the amount of any such charge not to exceed fifty
44 cents per month for each residential customer.

45 4. The department shall, in consultation with the commission,
46 establish by rule a certification process for power generated from
47 renewable resources and used to fulfill the requirements of subsection
48 1 of this section. To the extent feasible, the certification process shall
49 be consistent with operational practices of the regional transmission
50 organizations active in the midwestern region of the United
51 States. Certification criteria for renewable energy generation shall be
52 determined by factors that include fuel type, technology, and the
53 environmental impacts of the generating facility. Renewable energy
54 facilities shall not cause undue adverse air, water, or land use impacts,
55 including impacts associated with the gathering of generation
56 feedstocks. If any amount of fossil fuel is used with renewable energy
57 sources to generate energy to fulfill the requirements of subsection 1
58 of this section, only the portion of electricity output that is attributable
59 to renewable energy resources shall be used to fulfill such
60 requirements.

61 5. Electricity suppliers that fail to acquire sufficient renewable
62 energy credits to comply with the requirements of subsection 1 of this
63 section in any compliance period shall forfeit for each kilowatt-hour
64 deficiency an amount equal to three times the average market cost of
65 a renewable energy credit during that compliance period. Amounts
66 forfeited under this section shall be remitted to the department to
67 purchase renewable energy credits needed for compliance. Any excess
68 forfeited revenues shall be used by the department's energy center
69 solely for renewable energy and energy efficiency programs.

393.326. 1. A supplier of electrical energy may receive additional
2 credit toward meeting the requirements of section 393.323 if it acquires
3 renewable resources physically located in this state or renewable
4 energy credits from a renewable resource physically located in this
5 state:

6 (1) Where the renewable resource project commenced
7 construction after December 31, 2005; and

8 (2) Where the renewable energy developer, during construction
9 of the renewable resource project, used apprenticeship programs
10 approved by the department of economic development; and

11 (3) Where the apprenticeship programs shall have met the
12 following benchmarks:

13 (a) Minimum levels of apprenticeship programs constitute ten
14 percent of total labor hours for projects commencing construction after
15 December 31, 2008;

16 (b) Minimum levels of apprenticeship programs constitute twelve
17 and one-half percent of total labor hours for projects commencing
18 construction after December 31, 2014; or

19 (c) Minimum levels of apprenticeship programs constitute fifteen
20 percent of total labor hours for projects commencing construction after
21 December 31, 2021.

22 2. The department shall determine the amount of additional
23 credit to be awarded under this section.

393.329. 1. All suppliers of electrical energy shall disclose to any
2 person upon request standard and useful information regarding the
3 generation attributes of electricity sold by the supplier.

4 2. For electrical corporations, information to be supplied under
5 this section shall be presented in a uniform label in an easily
6 understood format. The commission shall develop rules necessary to
7 implement the requirements of this subsection, including penalties for
8 providing false or misleading information, within one year from the
9 effective date of this section. The label shall contain, but not be limited
10 to, the following information:

11 (1) The sources of energy supplied, specified by percentages, of
12 biomass power, coal-fired power, hydropower, natural gas-fired power,
13 nuclear power, oil-fired power, solar power, wind power, and other
14 resources in such format as the commission shall require;

15 (2) A standardized chart in a format determined by the
16 commission that provides the amounts of carbon dioxide, nitrous
17 oxides, sulfur dioxide emissions, and nuclear waste attributable to the
18 known sources of electricity supplied as set forth in subdivision (1) of
19 this subsection; and

20 (3) Any other information as the commission may determine that
21 permits and facilitates customer understanding of the environmental
22 consequences of electrical generation and use.

23 3. The information required to be disclosed under this section
24 shall be updated quarterly and presented on the supplier's Internet
25 homepage. Such information shall also be presented quarterly to the
26 commission for inclusion on its Internet homepage.

27 4. Any rule or portion of a rule, as that term is defined in section
28 536.010, RSMo, that is created under the authority delegated in this
29 section shall become effective only if it complies with and is subject to
30 all of the provisions of chapter 536, RSMo, and, if applicable, section
31 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable
32 and if any of the powers vested with the general assembly under
33 chapter 536, RSMo, to review, to delay the effective date, or to
34 disapprove and annul a rule are subsequently held unconstitutional,
35 then the grant of rulemaking authority and any rule proposed or
36 adopted after August 28, 2006, shall be invalid and void.

 393.332. 1. The department shall promulgate rules necessary for
2 the administration of sections 393.320 to 393.332.

3 2. Any rule or portion of a rule, as that term is defined in section
4 536.010, RSMo, that is created under the authority delegated in this
5 section shall become effective only if it complies with and is subject to
6 all of the provisions of chapter 536, RSMo, and, if applicable, section
7 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable
8 and if any of the powers vested with the general assembly under
9 chapter 536, RSMo, to review, to delay the effective date, or to
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